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14. ABSTRACT

Globalization has generated remarkable economic, social, and political change in China. For example, the Communist government of China recently reversed a decades-old policy by granting constitutional protection of private property ownership. Also, multinational corporations have invested large amounts of money in China, and many have established operations there. On the political scene, in some regions, democratic-style popular elections are being held at the local level. The author uses his Economics-Driven Change (EDC) Model to explore globalization and its effect on Chinese decision-making. He demonstrates how global economic interdependence is fueling dramatic economic, social, and political change in China, while the revolution in information technology accelerates the rate of change. Put another way, economic interdependence is the engine of globalization, and information technology is the turbo-charger. If China continues along its current path, a more democratic Chinese political system may be on the horizon. U.S. civilian and military leadership will benefit from understanding the effect of globalization on Chinese society in general, and its decision-makers in particular, as they formulate policy and interact with China. It could mean the difference between China becoming a cooperative partner instead of a confrontational peer competitor.

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The Effect of Globalization on Chinese Decision-Making

By

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A paper submitted to the faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Military Operations.

The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

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Abstract

Globalization has generated remarkable economic, social, and political change in China. For example, the Communist government of China recently reversed a decades-old policy by granting constitutional protection of private property ownership. Also, multinational corporations have invested large amounts of money in China, and many have established operations there. On the political scene, in some regions, democratic-style popular elections are being held at the local level. The author uses his Economics-Driven Change (EDC) Model to explore globalization and its effect on Chinese decision-making. He demonstrates how global economic interdependence is fueling dramatic economic, social, and political change in China, while the revolution in information technology accelerates the rate of change. Put another way, economic interdependence is the engine of globalization, and information technology is the turbo-charger. If China continues along its current path of change, a more democratic Chinese political system may be on the horizon. U.S. civilian and military leadership will benefit from understanding the effect of globalization on Chinese society in general, and its decision-makers in particular, as they formulate policy and interact with China. It could mean the difference between China becoming a cooperative partner instead of a confrontational peer competitor.

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You Americans have such a McDonald's drive-thru 'I want it now' view of the world. China has existed for 5,000 years – you must be patient. Let them taste capitalism now and in 50 or 100 years they'll be democratic.

Major in the Taiwanese Air Force, at Air Command and Staff College (ACSC)[1]

In 2003, the wife of a wealthy businessman received a suspended sentence after her BMW sedan plowed into a crowd of people, killing a poor farmer's wife and injuring 12 others. The courts ruled the death an accident. A local newspaper picked up "The BMW Case," and within weeks the Internet "boiled with online outrage" as citizens around the country protested what they saw as an unfair ruling in which a rich woman received special treatment because of her wealth and political connections. Apparently responding to the intense public pressure, the government announced an investigation into suspected judicial corruption and the possibility of another trial for the driver of the BMW.[2]

BMWs, the Internet, rich vs. poor, the politics of wealth…a story like this might seem commonplace in our 21st century Western society, where informed citizens can use technology to protest corruption and injustice on the basis of social class. They may even succeed in forcing governmental reform. The twist here is that this story did *not* take place in the West – it happened in *China*.

China is a Communist state known for its rigid, single-party authoritarian rule, but more and more stories have surfaced in recent years, like "The BMW Case," indicating a changing China. After the Chinese government initiated market economic reform over two decades ago, a pattern of change developed throughout Chinese society.[3] China's economy has grown in leaps and bounds, thrusting it into economic superpower status. This booming economic growth has created a growing Chinese middle class, something of an oddity in a supposedly classless Communist society. The rise of China's new middle class has generated unusual social and political pressures on China's authoritarian government, as evidenced by

changes taking place throughout the country. For example, the Communist government recently reversed a decades-old policy by granting constitutional protection of private property ownership.[4] Also, multinational corporations have invested large amounts of money in China, providing critical outside investment capital for China's economic growth. Many corporations have even established operations in China to take advantage of relatively cheap manufacturing labor.[5] The world is clearly recognizing China's economic advances – the World Trade Organization admitted China to its ranks in 2001.[6] On the political scene, in some regions, democratic-style popular elections are being held at the local level, something quite unusual in an authoritarian Communist state.[7] These are just a few examples that prove China is indeed changing, and they suggest that the China of the future may be a freer, more open society.

Globalization is sowing the seeds of change in China. *Global economic interdependence* and the *revolution of information technology* are two key elements of globalization that are affecting change in China. But where will globalization lead China? Is the apparent trend toward a freer and more open China an anomaly, or an early indication of even bigger change to come? More importantly for the United States, how will globalization affect Chinese leadership and the decision-making process?

This paper will explore the impact of globalization on decision-making in China. It will demonstrate how global economic interdependence is fueling dramatic economic, social, and political change in China, while the revolution in information technology accelerates the rate of change. If China continues along its current path, a more democratic Chinese political system may be on the horizon.

President Bush's 2002 National Security Strategy emphasizes the importance of political change in China to the security of the region and the United States: "We welcome

the emergence of a strong, peaceful, and prosperous China. The democratic development of China is crucial to that future."[8] U.S. policy can, and will, affect China and the region in the future. As such, U.S. civilian and military leaders will benefit from understanding the effect of globalization on Chinese society in general, and its decision-makers in particular, as they formulate policy and interact with China. It could mean the difference between China becoming a cooperative partner instead of a confrontational peer competitor.

THE PATH TO CHANGE IN CHINA

The road to political change in an authoritarian state such a China is complex. The Economics-Driven Change (EDC) Model in Figure 1 below illustrates one possible path to such change.[9] In Step 1, a catalyst causes some form of political or economic reform to take place. This reform stimulates economic growth (Step 2), which gives rise to a middle class (Step 3). The middle class becomes more powerful politically because of its wealth and influence in society, which can put pressure on the government (Step 4). Because of this pressure, the government reacts with additional changes or reforms to prevent social unrest and maintain internal stability. A self-perpetuating cycle of change continues as the process iterates again from Step 1, driven by the cumulative effects of old and new reforms.

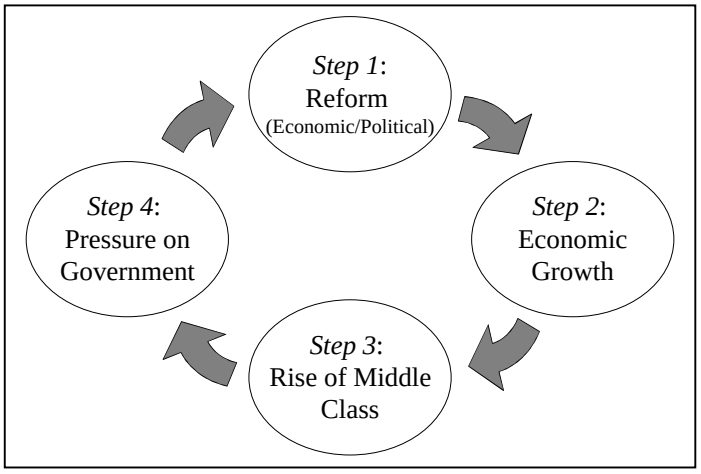

Figure 1: Economics-Driven Change (EDC) Model for Authoritarian States

As successive iterations of the EDC Model occur, the system tends toward self-determination due to the power and influence of the middle class. In China, for example, continued reform and economic growth continues to empower the middle class to pressure the government for change. The government must continually reform to alleviate social unrest and maintain legitimacy. Subsequent reformation further empowers citizens with each iteration. While this may not suggest a trend toward *pure* democracy, it does imply reform that gives citizens increasing power and influence. Theoretically, as more iterations occur, the citizens will become more powerful and the political system will be forced to allow more self-determination, eventually evolving into democracy of some sort.

Like many models, the EDC Model cannot perfectly represent reality because it takes a necessarily simplistic approach to describe an extremely complex system, like the one that exists in China. It does, however, offer a framework to conceptualize the pattern of change in China over the last three decades, change brought on by the cascading effects of Chinese economic reform and globalization. In this way, the EDC Model serves as a device with which to examine future possibilities in China brought on by the forces of globalization.

THE FORCES OF GLOBALIZATION

Before we apply the EDC Model to globalization in China, it is necessary to comprehend the broad concept of globalization in general. A recent study on globalization at the Institute for National Strategic Studies (INSS) defined globalization as "the process of growing international activity in many areas that is creating ever-closer ties, enhanced interdependence, and greater opportunity and vulnerability for all."[10] Contrary to popular belief, globalization is not a new phenomenon. A global economy emerged during the latter part of the 19th century and continued through the 1930s, only to be interrupted by two World Wars. International trade, although slowed by the Cold War, finally rebounded enough to

reach pre-World War I levels in the 1970s. Since then, the world has entered a new era of globalization.[11]

Globalization today differs significantly from the previous era in two main ways. First, the *integration of global capital and commodity markets* since the 1970s has surpassed all previous levels, and is still expanding. The worldwide institutional framework built after World War II to foster global trade and economic growth has been widely accepted, allowing nations to settle economic disputes peacefully using agreed-upon rules.[12] The second major difference is the *revolution in information technology,* which has created an environment of instant information transfer. The spread of cable and satellite television, increased use of personal computers, mobile phones, and the advent of the Internet have fundamentally changed the way that information flows in today's global society. The Internet has proven especially effective at instantly spreading information to even the most remote regions of our planet. The study on globalization at the Institute for National Strategic Studies points out that the impact of this revolution in information technology transcends nearly every aspect of today's society: "The ever-expanding global communications network linked together by the Internet…is spreading information, changing businesses and governmental institutions, creating enormous new wealth, and generally promoting the openness that is essential to a healthy democracy."[13]

Globalization clearly affects a great many aspects of society, but *economic globalization* seems to have the greatest effect worldwide. According to the INSS globalization study, an "energetic economy powered by the accelerating pace of transport, telecommunications, and *information technology*" is helping shape the current era of globalization.[14] Said another way, global economic interdependence is the *engine* of globalization, and information technology is the *turbo-charger*.

GLOBALIZATION AND CHINA

With a better understanding of globalization, we now return to the EDC Model to illustrate globalization's effects on China, and to highlight the impact on Chinese decision-makers. Due to the simplistic nature of the model and the complexity of reality, each step in the model does not involve a single recognizable event, but rather a series of related occurrences. For instance, no single Chinese economic reform in the late 1970s and 1980s can be viewed as the reform in Step 1. Rather, the *entire series* of economic reforms that took place over the course of 12 years must be grouped together as a whole in Step 1. Also note that because of the iterative nature of the model, and the possibility of events overlapping, multiple iterations may theoretically be running at the same time.

Step 1: Economic or Political Reform

In December 1978, the Chinese Communist Party announced its historic decision to "shift the focus of its work from class struggle to economic development."[15] Ian Seckington, in an article in Asian Affairs, explained that the overall goal of this decision, and the resulting 12-year period of economic reform, was to reverse the negative economic trends of Mao Zedong's "Cultural Revolution." The economic reform program would do this by raising China's standard of living, thereby bolstering the legitimacy of Beijing's rule.[16] Specific reform measures quickly followed, including new "responsibility systems" in agriculture.[17] This reform measure essentially redistributed land held by communes to individuals and groups of families to farm. Significant economic, social, and political effects resulted from this break with the commune system in rural China.[18] Additional economic reform occurred when China established four special economic zones (SEZs) in the early 1980s. SEZs encouraged growth by presenting more export opportunities, as well as bringing in direct foreign investment and technology transfers to Chinese industry.[19]

Serious economic reforms and the opening of Chinese society to the outside world during this period introduced China to the current era of globalization.[20] These reforms set in motion sweeping economic, social and political changes that continue to affect China today.

Step 2: Economic Growth

According to Seckington, China's 1978 decision to focus on economics quickly produced substantial economic growth. By breaking with the commune system and redistributing commune-held land to individuals and groups of families, farmers had greater incentive to produce, achieving spectacular results. From 1978 to 1984, annual grain output shot up 33%, from 305 to 407 million metric tons. Cotton output tripled, oilseed crops doubled, and the production of pork, beef, and lamb increased 80% over the same period.[21]

Agricultural reform gave rise to local "town-and-village enterprises" (TVEs) which sprung from the small rural factories built during Mao's "Great Leap Forward" movement launched in 1958. TVEs were businesses and family-run enterprises that rapidly became one of the most dynamic sectors of the Chinese economy. Initially, most TVEs dealt in service and retail sectors, but as the rural economy improved, many expanded into manufacturing.[22]

Seckington also highlighted the skyrocketing industrial output in the new SEZs. Between 1978 and 1987, the annual rate of China's imports and exports grew at 13% and 15% respectively. Foreign investment poured in from around the globe, increasing over 500% from 1982 to 1987 ($430M in 1982 to $2,313M in 1987). So successful were the SEZs that China established a fifth SEZ on the island province of Hainan in 1989.[23] All of this reform-driven economic growth directly translated into increased wealth for Chinese citizens, and set the conditions for development of a Chinese middle class.

Step 3: Rise of the Middle Class

While it took several decades to develop a true Chinese middle class, early signs of a middle class appeared shortly after the first reforms were implemented in 1978. Agricultural reforms gave farmers much more autonomy in running their farms and greater independence in spending their income. This created of a new class of *nouveau riche* farmers, many of which became quite wealthy and lived in two or three-story houses.[24]

Evidence of a middle class also appeared in the industrial sector. In 1984, some of the agricultural market reforms were extended to industry. Private businesses received greater tolerance, which resulted in a large increase in the number of private businessmen, the predecessors of today's urban middle class.[25]

Despite the many positive aspects of China's early reform efforts, the lack of stable economic and political conditions seems to have prevented the establishment of an enduring Chinese middle class. Agricultural development stalled while industrial growth surged, reflecting a pattern that still exists today in which different sectors of the economy fluctuate as reforms take place. The mid-1980s saw extremely fast economic growth rates, but this rapid growth led to economic "over-heating," inflation, and fluctuating economic cycles.[26]

By the mid-1990s, more economic reform had taken place and a true middle class emerged in China.[27] The term "middle class" is controversial in China because it is tied to Marxist-Leninist rhetoric about "class warfare." A 2002 study in China on the changing make-up of its society used the term "stratum" instead of class.[28] Whichever term is used, few doubt the existence of the new Chinese middle class. It includes, "private entrepreneurs, white-collar workers in foreign-funded enterprises, movie stars and media types, scientists and technicians with university qualifications, and the bosses of big state-owned monopoly industry."[29] Current estimates put China's middle class at about 15% of the working

population, or 110 million people, as opposed to 60% in the U.S. By 2005, however, China's middle class could swell to 200 million.[30]

Many experts on the process of democratization agree that a large middle class is a precondition for the development of democracy.[31] While the presence of such a large middle class by itself does not guarantee political change, it certainly represents a potential source of power that might influence a government.

Step 4: Pressure on Government

Shelley Rigger's book, Politics in Taiwan: Voting for Democracy, argues that an authoritarian government can feel pressure to reform from a variety of sources, one of which is a large middle class.[32] Her detailed study of politics in Taiwan shows how its authoritarian government was forced to adopt reforms to maintain legitimacy. In Taiwan, she points out, these reforms took several decades, but eventually expanded to include elections at all levels and the acceptance of multiple political parties. The process culminated in the first-ever direct, popular presidential election in Taiwan in 1996.[33] Her argument provides convincing evidence that pressure applied by a large middle class can cause political change in authoritarian governments, and even stimulate the growth of democracy.

China is not immune to the pressures of a large middle class. In a major speech at Harvard University in May, 2001, China's Vice Minister of Finance, Liqun Jin, admitted that "the pressure to reform (the government) could come from the general public when it wants a change."[34] The Chinese government clearly felt such pressure from its citizens, especially the middle class, when its parliament recently voted to change its constitution to protect private property. By adding the words "A citizen's lawful private property is inviolable" to the Chinese constitution, China abandoned one of the key pillars of Communism and endorsed its policy of capitalist economics.[35] Entrepreneurs and businessmen lobbied for

constitutional change to protect private property…pressure that the government apparently felt and acted on.[36] "The masses have a more urgent demand for protection of their own property by law," said Wang Zhaoguo, deputy chairman of the National People's Congress.[37]

This economic reform in response to middle class pressure has also generated pressure for political reform. Surprisingly, China's leadership has endorsed the concept of political reform. In fact, in March, 2004, Chinese Premier Wen Jiabao's highlighted the need for "political restructuring" to keep up with on-going economic reform.[38] Among some of the reforms already implemented are democratic-style popular elections at the local level[39] and "inner-party democracy," a system of electing party officials from within the party.[40]

These are certainly noteworthy examples of reform in an authoritarian state such as China, but will this pressure translate into true democracy? Rigger suggests that elections, once started, can bring about democratization over time. Citing Bolivar Lamounier's work on political reform in Brazil, she explains the electoral process is "not the symbol and culmination of a transition… [but] almost the point of departure of the process."[41] Such was the case in Taiwan where simple grassroots elections in 1946 expanded over time into widespread elections at all levels, and eventually led to the presidential election of 1996.[42]

As previously stated, China has already experimented with popular elections at the local level. The question is, will these elections, like the early elections in Taiwan, foster a similar desire for self-determination and eventually lead China to the path of democratization? Perhaps China is already on that path without fully realizing it. As Rigger points out, an authoritarian regime often believes that "it can control the pace and direction of political reform. This confidence allows the regime to undertake a reform process that (as it learns too late) has a momentum and direction of its own."[43]

THE REVOLUTION IN INFORMATION TECHNOLOGY

Information technology serves as an accelerator for globalization. While not depicted graphically in the EDC Model, information technology must be considered when using the model to explore change in China. Not only does information technology significantly reduce the time to move between steps, facilitating quicker iterations, it also stimulates economic growth and empowers the middle class. These effects generate social and political pressure on the government to reform.

The INSS report on globalization summarizes the impact of information technology in this era of globalization:

> The rapid growth of the so-called Net -- the vast interconnected global system of communications networks, computers, software, content, and people linked together by the Internet -- is changing human institutions ranging from government to health care to education to banking and industry. It is fostering globalization, creating enormous wealth, shifting traditional patterns of power, and generating new political concerns (for example, security and censorship).[44]

This certainly rings true in China today where information technology is spreading rapidly, connecting the citizens of China, domestically and internationally, as never before. As of 2003, 237 million Chinese had fixed telephones in their homes and 234 million owned mobile phones.[45] Mobile phone ownership is expected to double by 2007, reaching 500 million Chinese citizens, or about 42% of the population. This will make China the world's largest mobile phone market.[46] Almost 94% of the population has television coverage.[47] The advent of Internet, however, offers the most promise for change in China because it provides instant access to information from around the world. Not surprisingly, the Internet is also the information technology of most concern to Chinese government officials. Nearly 80 million Chinese have access to the Internet,[48] but the government has made serious attempts to

control Internet usage, even going as far as jailing citizens that posted information on the Internet that the government found objectionable.[49]

China's role in the globalized economy requires that information flows freely to stimulate and sustain economic growth. Because of this necessity, the Chinese government will find it increasingly difficult to control the flow of information in the 21st century.[50] In one recent example, some speculate that the Chinese government, which remained conspicuously silent on reports of severe acute respiratory syndrome (SARS) outbreaks in China for weeks, finally reported the SARS outbreak of 2003 only after it realized it could not control the information flowing to the outside world via the Internet. No amount of control could keep the facts from leaking out, so the government finally acknowledged its SARS problem.[51]

The revolution in information technology clearly has the potential to channel political pressure inside China. As seen in "The BMW Case" and other examples cited above, the revolution in information technology empowers individual citizens by providing instant information about the world around them, something the authoritarian Chinese government does not want. As David Gompert, a former Deputy Under Secretary of State for Political Affairs and Special Assistant to the President for European and Eurasian Affairs, has pointed out, "Beijing will not be able to forestall a national information revolution…Different as China might be…an authoritarian regime will be unable to withstand pressure for both political and economic freedom if it is to achieve technological success."[52]

GLOBALIZATION'S EFFECT ON CHINESE DECISION-MAKING

The Chinese government has cautiously embraced globalization out of economic necessity, recognizing that it is fueling China's vital economic growth. The government also realizes, however, that globalization is bringing about the need for economic, social, and

even political reform. After announcing the landmark decision to protect private property, Premier Wen Jiabao warned that China's governmental system has to change to keep up with China's transformation to a capitalistic economy. He said, "Without success in political restructuring, economic reforms in China cannot eventually succeed."[53]

While the Chinese government appears open to political reform, even actively seeking it, Premier Wen made clear the reason for pursuing such reform – "social stability and party unity."[54] The pace of reform has been deliberate and calculated to ensure social stability. Liqun Jin, China's Vice Minister of Finance, explained that, "China has not implemented a daunting reform program at the expense of social stability. The magnitude and pace of reform has been tailored to the affordability of the people and the economy."[55]

This suggests two things about Chinese decision-making in the current era of globalization. First, *social stability will be paramount in any decision made by the Chinese government*, domestically or internationally. The government clearly realizes that even though China's economy is booming, it still has problems that could explode in social unrest if not handled properly, ultimately threatening Beijing's government. Specifically, the increasing income disparity between the urban middle class and the poor rural class, a gap exacerbated by globalization, continues to be a source of tension, which is getting a lot of government attention.[56] Similarly, unemployment[57] and a fragile finance system[58] also threaten social stability. Second, to avoid uncontrolled change that spawns social unrest, *the pace of reform in China will be slow by American standards.* Mindful of what happened to their northern neighbors during the period of rapid change following the disintegration of the Soviet Union, the Chinese have opted for a deliberate, controlled path of reform to avoid economic instability and social unrest.[59] This slow, cautious plan is consistent with a 5,000 year-old culture that expects long-term approaches to problem solving. It is worthwhile to

note the different perspectives from which Americans and Chinese view time and progress – Americans expect change to happen quickly (like going through a McDonald's drive-thru), while the Chinese take a patient, long-term approach to change.

As argued in Step 4 of the EDC Model analysis above, China seems to have taken its first steps on the road to democratization (albeit small ones). As with Taiwan and South Korea, China's democratization process will likely be a long one, perhaps spanning 50 or 100 years.[60] Nevertheless, democratic tendencies will certainly change the way that China makes decisions, both in the short and long term. A democratic China would open its doors even wider to the global community, and play an even bigger role in the region and the world. Perhaps most importantly, if the "democratic peace" theory holds true that democracies do not fight democracies,[61] a democratic China will be less of a threat to its neighbors, further improving worldwide economic growth and enhancing regional and global security.

ALTERNATE FUTURES

While the evidence presented above suggests that China's reforms in this era of globalization are meant to promote economic growth while maintaining internal social stability, other possibilities exist for China's future. It is worthwhile to consider these possibilities when examining the effect of globalization on Chinese decision-making.

The Content Middle Class? While Rigger showed that Taiwan's middle class exerted significant pressure on Taiwan's government, eventually bringing about true democracy,[62] it remains to be seen if the same will happen in China. A 2002 article in The Economist explored the desires of the growing Chinese middle class and found little proof that the Chinese middle class will demand political change.

> But so far, at least, there is scant evidence that the middle class is seeking anything more than political security. Some Chinese researchers say that entrepreneurs who have applied to join the (Chinese Communist) Party or sought election to legislative

> bodies want to gain social status and security rather than change the system from within.[63]

Some Chinese officials, however, clearly see the political threat posed by a middle class.[64] The same article in The Economist highlighted the officials' concern:

> A study by the party's powerful Central Organisation Department published last May noted that "as the economic standing of the affluent stratum [middle class] has increased, so too has its desire for greater political standing." The report said that this would inevitably have a "profound impact on social and political life" in China.[65]

If history is any indication, these officials have good reason to worry. History is replete with examples of societies that, after experiencing some elements of freedom and democracy, demand more and more change. Taiwan and South Korea serve as examples of democracies that arose from authoritarian governments due to political pressures from the people.[66] In modern societies, citizens tend to eventually win such struggles against their governments, forcing political reforms that give the people more freedom. The list of democratic governments that have sprung up, especially in the past 100 years, supports this contention. Only time will tell if China will join this list in the next 100 years.

True Democracy? Some experts doubt that the democratic experiments cited above, especially "inner-party democracy," are really an indication of an evolving multiparty democracy in China. In fact, Kenneth Lieberthal, a scholar of Chinese politics at the University of Michigan Business School, thinks it may be just the opposite. He says that inner-party democracy "is aimed at preventing the development of a multiparty system by making the Communist Party more responsive and attractive."[67]

While the government is striving to control the rate of political reform to avoid multiparty politics,[68] Lieberthal thinks that the Chinese government may not be able to withstand the pressure for more dramatic reforms brought on by the introduction of local elections. He said that as "changes accelerate, China could see direct elections within a year

at the county-level and city-level offices by 2010. That could put popularly elected figures in positions with responsibility over millions of people."[69] It seems that despite the best efforts of the Chinese government, China may have already embarked on a path toward democracy, and as Rigger suggests, the government may have undertaken "a reform process that (as it learns too late) has a momentum and direction of its own."[70]

The Taiwan Wildcard. Regardless of any Chinese economic, social, or political reforms, the issue of reunification with Taiwan remains the most volatile and emotional issue in China. Chinese leaders contend that Taiwan is rightfully a part of China. So heated is this issue that if conditions favored the successful reunification of China and Taiwan, China might take military action against Taiwan, and Taiwan's main ally, the U.S.[71]

In light of all the gains China is currently making due to economic globalization, however, one must ask if China would really be willing to risk its economic growth and social stability to forcibly reunify with Taiwan. Forced reunification would be risky because critical foreign investment in China would probably dry up following military action against Taiwan. If China became more democratic, however, an eventual peaceful reunification with Taiwan would be much more likely.

While these alternate futures are all plausible, they fail to fully take into account the effect that the forces of globalization will have on China in the 21st century, forces that are arguably more powerful than anything China has seen in 5,000 years. As seen above, economic globalization and the revolution in information technology are forever changing the global community in the 21st century…and China along with it.

CONCLUSION

The forces of globalization are unlike anything the world has ever seen. Phenomenal worldwide economic growth, accelerated by the revolution in information technology, has

ushered in a new era that offers the hope of prosperity and security. Nowhere has globalization offered as much promise as in China, where it has fueled dramatic economic, social, and political change. Constitutional protection of private property ownership, the rise of a Chinese middle class, local democratic-style popular elections – no one can deny that remarkable changes have occurred in China, and these changes have forever affected Chinese decision-making. The introduction of local popular elections is especially promising because of the potential long-term political change they imply. Is China now poised to embark on the path of democratization, just as Taiwan did over 50 years ago when the first democratic local elections were held in Taiwan? Perhaps the Taiwanese Air Force major at ACSC was visionary when he predicted, "Let them [China] taste capitalism now and in 50 or 100 years they'll be democratic."[72] Patience, America…this is not the McDonald's drive-thru.

RECOMMENDATIONS FOR U.S. CIVILIAN AND MILITARY LEADERS

The forces of globalization have clearly had a profound effect on Chinese decision-making, and will continue to do so in the future. A cycle of economics-driven reform continues to guide China toward positive change, and perhaps, in time, toward the path of democratization. This presents an unprecedented opportunity for U.S. civilian leadership, and U.S. military regional commanders, to formulate and execute U.S. policy geared at making China a cooperative partner in the global community instead of a confrontational peer competitor. The following recommendations may prove helpful toward that end.

Be Patient. The U.S. should exhibit patience in its policy with China and not expect China to change overnight. China's leaders are wise in pursuing measured, gradual change since instant change will generate instability and social unrest. Due to the globalized economy, the entire world will suffer if social unrest in China destabilizes global markets. Regarding China's remarkable political changes, patience is again called for. Taiwan took

50 years to achieve true democracy. If China goes down the same path, it will most likely take equally as long.

Avoid Antagonizing China Militarily. The U.S. must be prepared for military action in support of its national interests, but it should avoid antagonizing China militarily to allow China to continue integrating into the globalized world community. Many Chinese see the U.S. as the enemy, but the U.S. should not give China a reason to strike out militarily. Avoiding military tensions will ensure that China's economic, social, and political growth continues. Given the sensitivity of the Taiwan issue, this will be difficult, but not impossible. As David Shambaugh, the Director of the China Policy Program at George Washington University, suggests, the Asia-Pacific region is "large enough for both the United States and China to pursue their interests and coexist peacefully."[73] Power in the Asia-Pacific region is not a zero-sum game.[74]

Expand U.S. Focus in Asia Beyond the Global War on Terror (GWOT). The current U.S. single-minded focus on the GWOT detracts from other critical regional issues, many of which are important economic and security issues. While the GWOT is important to most nations in Asia, U.S. interests would be better served by acknowledging the importance of *our allies' key issues* and cooperatively working together to find solutions to *all* regional concerns, not just the GWOT. In the end, the GWOT will remain a top regional priority for all nations, and it will actually receive *more* support from our allies because of a balanced U.S. focus on *their* critical issues as well as our own.

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